

*PATENT APPEAL*  
Technology Center 3000

Application No. 09/260,437  
Attorney Docket No.: 98-116

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

**Appellants:**

Jay S. Walker, Andrew S. Van Luchene,  
Deirdre O'Shea, Dean Alderucci

Application No.: 09/260,437

Filed: March 2, 1999

For: METHOD AND APPARATUS FOR  
FACILITATING THE SALE OF  
SUBSCRIPTIONS TO  
PERIODICALS

)  
 ) Group Art Unit: 3622  
 )  
 ) Examiner: J. Carlson  
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 ) **APPEAL BRIEF**  
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 ) Attorney Docket No. 98-116  
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 ) Customer No. 22927  
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Dated: January 20, 2004 By

Veronika S. Leliever

**BOARD OF PATENT APPEALS  
AND INTERFERENCES**

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Commissioner for Patents  
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Alexandria, VA 22313-1450

Appellants hereby appeal to the Board of Patent Appeals and Interferences from the decision of the Examiner in the Office Action mailed December 18, 2002 (Paper No. 20), rejecting claims 1 - 34 and 70 - 72.

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**APPENDIX A: CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL**

**APPENDIX B: CHART SHOWING CLAIM DEPENDENCIES**

## REAL PARTY IN INTEREST

The present application is assigned to Walker Digital, LLC, 1177 High Ridge Road, Stamford, CT 06905.

## RELATED APPEALS AND INTERFERENCES

Appellants are not aware of any appeals which might be considered to directly affect, be directly affected by or have a bearing on the Board's decision in the pending appeal.

## STATUS OF CLAIMS

Claims 1 - 34 and 70 - 72 are pending in the present application and are being appealed.

Claims **1 – 4, 10 - 34 and 70 - 72** stand rejected under 35 U.S.C. § 103(a) as being unpatentable over a combination of:

- U.S. Patent No. 5,250,789 to Johnsen;
- U.S. Patent No. 6,024,288 to Gottlich; and
- "Holiday Gift Subs up, due to some novel promotions", February 1, 1992 (Folio).

Claims **5 - 9** stand rejected under 35 U.S.C. § 103(a) as being unpatentable over a combination of:

- Johnsen;
- Gottlich;
- Folio; and
- either U.S. Patent No. 5,759,101 to Von Kohorn or alternatively U.S. Patent No. 5,467,269 to Elaten.

## STATUS OF AMENDMENTS

No amendments were filed subsequent to final rejection.

## SUMMARY OF INVENTION

Generally, according to one aspect of the invention, a POS terminal receives a signal that indicates an item, for example, via a bar code scanner. The POS terminal ascertains whether the item is associated with an offer for a rebate. If so, a code is generated and output to the customer, such as on a printed receipt. The code is associated with an offer for a rebate in exchange for establishing a subscription to a periodical. If the customer subscribes to a required periodical, he will be credited the amount he paid for the item. [Present Application, page 3, lines 5 - 11]

Subsequently, the customer requests a subscription to a periodical from a subscription fulfillment house, and provides his code in conjunction with the request. If the code is valid, the customer is provided with a rebate. The rebate may be provided directly by the subscription fulfillment house (e.g. a credit to a credit card account) or may be provided by a merchant (e.g. a discount on a future purchase). [Present Application, page 3, lines 12 - 16]

## ISSUES

Whether claims 1 – 4, 10 - 34 and 70 - 72 are obvious over a combination of Johnsen, Gottlich and Folio.

Whether claims 5 - 9 are obvious over a combination of Johnsen, Gottlich, Folio and either Von Kohorn or alternatively Elaten.

## GROUPING OF CLAIMS

The claims in different groups do not stand and fall together.

Appellants group the pending claims as follows:

Group I - claims 1 - 4, 10 - 21, 23 - 30, 32 - 34 and 70 - 72;

Group II - claims 5 - 9;

Group III - claim 22;

Group IV - claim 31.

Appellants believe that claims in different groups are separately patentable, as explained below.

## ARGUMENT

### Summary of Argument

The rejections fail for two primary reasons: the Examiner has not made a prima facie case of obviousness, and in any event the references could not support a showing of obviousness.

First, nonanalogous references are used in all rejections.

Second, the references under any reasonable interpretation completely fail to suggest several limitations that are recited in the independent claims. Among other failings, the references completely lack any hint of:

*"outputting an offer for a rebate in exchange for establishing a subscription to a periodical, in which the subscription to the periodical is not the at least one item"* (independent claims 1 and 70 - 72)

Third, the rejections are nothing more than conclusory statements that the claims are suggested by various combinations of references, and that the references motivate such combinations. The rejections are based on improper combinations and modifications of the references without any motivation in the prior art for making the proposed combinations and modifications.

Accordingly, the rejections are inappropriate and Appellants respectfully request that the rejections be reversed.

Form of this Appeal Brief

In the arguments herein, limitations of the claims are indicated in *italics*, and the references of record are indicated by underlining.

In separate arguments of patentability of different Groups, Appellants have, where possible, referred to prior arguments to avoid undue repetition.

In the arguments below, Appellants refer to:

Appellants' Response (Amendment and Response mailed November 27, 2002);  
the "Office Action" (Office Action mailed December 18, 2002, paper no. 20).

## 1. Group I

Group I includes independent claims 1, 70, 71 and 72, and dependent claims 2 - 4, 10 - 21, 23 - 30 and 32 - 34.

Independent claim 70 is an apparatus comprising means for performing various steps of the method of claim 1. Independent claim 71 is computer readable medium encoded with processing instructions for directing a computer to perform the steps of claim 1. Independent claim 72 is an apparatus, comprising a processor and a memory, in which the processor is operative with a program to perform the method of claim 1.

Thus, although the discussion and arguments below refer to claim 1, they are likewise applicable to the remaining claims of the Group.

As discussed below, the rejection of the claims of Group I is flawed because the Examiner has not made a *prima facie* case of unpatentability of any claim of Group I. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group I can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group I obvious.

### 1.1. Independent Claim 1

Independent claim 1 is directed to a method in which a signal that indicates at least one item is received. It is ascertained whether the at least one item is associated with an offer for a rebate. If the at least one item is associated with an offer for a rebate, a code is generated.

A signal that represents the code is output. An offer for a rebate in exchange for establishing a subscription to a periodical is output. The subscription to the periodical is not the at least one item. An item price is charged.

## 1.2. Advantages of Independent Claim 1

The embodiment of claim 1 provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination. These advantages render the claimed subject matter nonobvious over the cited art.

As discussed in the present application, by *outputting an offer for a rebate in exchange for establishing a subscription to a periodical*, the customer at a retailer can receives a rebate in exchange for subscribing to a periodical.

Thus, the customer benefits from receiving the rebate, and the publisher benefits from selling a subscription it would not otherwise have sold (i.e. the customer did not set out to purchase one, but did when one was offered).

A subscription fulfillment house or publisher that processes the subscription request may pay for some or all of the rebate as payment for acquiring a new subscriber. Thus the store can benefit from helping satisfy the customer with low (or no) expenditures.

In addition, because the *subscription* is sold as the result of, and in conjunction with, an *offer for a rebate*, the sales of subscriptions would be higher than if, e.g., *subscriptions* were merely allowed to be purchased at the initiative of the customer.

In addition, it can be deceptively inexpensive for the publisher to provide the customer with a subscription at a significant discount (e.g., selling the subscription at full price but also paying a significant rebate). The Audit Bureau of Circulations enforces a rule that *subscriptions* can be reported as paid circulation only if paid at a minimum percentage of the basic subscription price set by a publisher for a given title. See attached document entitled "Audit Bureau of Circulations - Bylaws and Rules - Article 1". This document is also available at [www.accessabc.com/bylaws1](http://www.accessabc.com/bylaws1).

Thus, if a subscriber pays less than the minimum price for a subscription, that subscriber is not reported as a "paid circulation". Consequently, that subscriber is not counted as part of the publisher's subscription base. In other words, the reported subscription base of the publisher is

*Group I*

lower than it actually is. This negatively impacts, e.g., the publisher's ability to charge advertisers higher rates for having a large readership. Thus, a subscription sold for full price, but accompanied by a rebate (e.g., on another item the customer desires), is a "paid circulation" which is (from the customer's perspective) effectively provided at a discount.

Also, by *outputting a signal that represents the code*, the customer can use the code, e.g., when subsequently subscribing to the periodical. For example, the customer may subsequently request a subscription to the periodical from a subscription fulfillment house, and provide his code in conjunction with the request. Once the code is deemed valid, the customer may be provided with a rebate, in accordance with one embodiment.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

### **1.3. No Prima Facie Showing of Unpatentability of the Claims of Group I**

A reading of the rejections of the claims of the Group reveals that the Examiner has consistently ignored or misinterpreted the limitations of the claims. Several limitations are not disclosed or suggested by the references of record. Accordingly, the Examiner has not presented a prima facie case of obviousness of any claim of the Group.

Since the Examiner has not even presented a prima facie case of unpatentability, any subsequent rejection would necessarily be a new rejection.

#### Applicable Law

The Examiner bears the burden of establishing a prima facie case of obviousness based upon the prior art. In re Fritch, 972 F.2d 1260, 1265 (Fed. Cir. 1992). To reject claims in an application under section 103, an examiner must show an unrebutted *prima facie* case of obviousness. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998). If examination at the initial stage does not produce a prima facie case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

The factual predicates underlying an obviousness determination include the scope and content of the prior art, the differences between the prior art and the claimed invention, and the

*Group I*

level of ordinary skill in the art. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998). The secondary considerations are also essential components of the obviousness determination. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

In order to rely on a reference as a basis for rejection of the applicant's invention, the reference must either be in the field of the applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned. In re Oetiker, 977 F.2d 1443, 1447 (Fed. Cir. 1992).

When a rejection is based on a combination of references, the Examiner can satisfy the *prima facie* burden only by showing some objective teaching leading to the purported combination of references. In re Fritch, 972 F.2d 1260, 1265 (Fed. Cir. 1992). Lacking a motivation to combine references, there is no *prima facie* case of obviousness. In re Rouffet, 149 F.3d 1350, 1358 (Fed. Cir. 1998).

Finally, during examination, claims are given their broadest reasonable interpretation consistent with the specification. In re Hyatt, 211 F.3d 1367 (Fed. Cir. 2000). The "PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in applicant's specification." In re Morris, 127 F.3d 1048, 1054-55 (Fed. Cir. 1997).

### **1.3.1. No showing that the references suggest *outputting an offer for a rebate in exchange for establishing a subscription to a periodical***

The Examiner has not shown that the references, alone or in combination, suggest *outputting an offer for a rebate in exchange for establishing a subscription to a periodical*.

#### **Factual Findings**

No references disclose or suggest *outputting an offer for anything in exchange for anything else.*

Further, no references disclose or suggest *outputting an offer for anything in exchange for establishing a subscription to a periodical.*

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Finally, no references disclose or suggest *outputting an offer for a rebate in exchange for establishing a subscription to a periodical.*

The rejection of the claims of Group I relies on three references of record: Johnsen, Gottlich and Folio.

The Examiner asserts that Johnsen discloses

"optically scanning a product at the POS ... displaying a message offering a rebate and printing a rebate form". Office Action, page 2.

However, contrary to the Examiner's assertion, nowhere in Johnsen or any other reference of record is there a teaching of anything being done "at a POS". Johnsen in fact discloses a system mounted on a shopping cart, where a shopper may retrieve a manufacturer rebate for a product he scans:

*"Manufacturers that are making rebates available can simply have them electronically stored in the store's central computer. Thus, when a shopper selects and scans the product, the display system can indicate on the display a screen that a rebate is available. If the shopper wishes to participate in the rebate, they can press the appropriate button on the display screen and have that rebate form printed out on the printer 32."*

Johnsen, Col. 9, lines 25 - 33.

Applicants informed the Examiner of the discrepancy in his interpretation of Johnsen. Applicants' Response, pages 2 - 3. Nevertheless, the Examiner has maintained this finding.

The shopping cart system in Johnsen is different from Gottlich, which the Examiner employs Gottlich as disclosing issuing "a coupon / discount incentive at the checkout for a related item based on the item currently being purchased." Office Action, page 2. For example, Gottlich at Col. 2, lines 3 - 5 discloses:

*"if the consumer purchases dog food, the register might kick out a coupon for dog shampoo."*

Note that such a coupon requires the customer to return to receive a discount on a future purchase.

Finally, the Examiner employs Folio as disclosing "selling a product at a retail store, the product being a magazine subscription". Office Action, page 2. For example, the second paragraph of Folio discloses the sale of 'retail gift certificates':

*"People Weekly's consumer marketing director, Jerry Koch, reports his program of retail gift certificates met with 'modest success.' Launched last fall, People's 10-issue gift sub*

*packs are a twist on its earlier frequent-buyer program, which offers similar 10-packs of certificates at subscription prices that are redeemable at newsstands."*

The third paragraph of Folio discloses the distribution to retail stores of prepaid subscription order forms and gift cards:

*"Subscriber Systems puts prepaid subscription-order forms and gift cards into packages it distributes to retail stores. ... Subscription Systems works as an agent, underwriting all costs and then forwarding orders to the publishers after taking a percentage."*

There is no indication that either of these Folio programs is any more successful at signing up subscribers than, e.g., the presence of subscription cards in periodicals that are sold at retail stores.

Thus, in summary, the record discloses three disparate systems:

- a shopping cart-mounted system where a shopper retrieves a rebate on a product he scans (Johnsen)
- issuing a coupon at the checkout for an related item based on the item currently being purchased (Gottlich)
- selling prepaid subscription-order forms or magazine gift certificates at a retail store (Folio)

No reference discloses or suggests

*outputting an offer for anything in exchange for anything else (i.e. something contingent on another)*

much less

*outputting an offer for anything in exchange for establishing a subscription to a periodical*

much less

*outputting an offer for a rebate in exchange for establishing a subscription to a periodical*

Thus, even if combinable, the combination of Johnsen, Gottlich and Folio still would not yield *outputting an offer for a rebate in exchange for establishing a subscription to a periodical*.

The lack of a motivation to combine the references is discussed below in Section 1.3.2.

### 1.3.2. No showing of a proper motivation to combine the references

The Examiner simply has not shown a motivation in the prior art of record to modify or combine the references in the manner proposed by the Examiner, or in any other manner that renders the claims obvious. For at least this reason the rejection is improper.

#### Applicable Law

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992). Furthermore, **particular findings must be made** as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed. In re Kotzab, 217 F.3d 1365, 1371, 55 U.S.P.Q.2d 1313, 1317 (Fed. Cir. 2000) (emphasis added).

A finding of obviousness requires that the art contain something to suggest the desirability of the proposed combination. In re Grabiak, 769 F.2d 729, 732 (Fed. Cir. 1985). **In the absence of such a showing**, there is inadequate support for the position that the proposed modification would *prima facie* have been obvious. *Id.* (emphasis added) The absence of such a suggestion to combine is dispositive in an obviousness determination. Gambro Lundia AB v. Baxter Healthcare Corp., 110 F.3d 1573, 1579 (Fed. Cir. 1997)

When the art in question is relatively simple, the opportunity to judge by hindsight is particularly tempting. Consequently, the tests of whether to combine references need to be applied rigorously. McGinley v. Franklin Sports, Inc., 262 F.3d 1339, 1352 (Fed. Cir. 2001). In each case the factual inquiry whether to combine references must be thorough and searching. *Id.*, at 1352 - 53.

#### No Substantial Evidence of a Motivation to Modify or Combine

The Examiner has proposed that one of ordinary skill in the art at the time the invention was made would have combined Johnsen, Folio and Gottlich to create "any type of coupon/rebate/savings incentive" because "this would enable subscription incentives to be

offered and targeted to purchases of related products as well as provide incentives to consumers to purchase subscriptions which are not particularly selling well". Office Action, pages 2 - 3.

The prior art does not disclose this "motivation". This "motivation" is nothing more than a statement that the proposed combination would be beneficial. This is insufficient to satisfy the Examiner's *prima facie* burden of showing that the prior art motivates this particular combination of references. In fact, the Examiner has not made any findings at all as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for modification and combination in the manner claimed.

In addition, the assertion that the prior art would make "any type of coupon/rebate/savings incentive" obvious is both remarkable and unfounded. Given this assertion, it is likely that various claim limitations were ignored under the erroneous assumption that nothing could rescue a "mere rebate" program from *de facto* obviousness.

Thus the Examiner has not shown a motivation in the prior art of record to combine the references in any manner that renders the claims of the Group obvious. The rejection fails for at least this reason.

### **1.3.3. Nonanalogous References**

#### Applicable Law

In order to rely on a reference as a basis for rejection of the applicant's invention, the reference must either be in the field of the applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned. *In re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992).

#### Factual Findings

The Examiner has not provided any evidence relating to the problem, nor why the references are pertinent to the problem.

The Examiner has not provided any evidence relating to the field of endeavor, nor why the references are in the field of endeavor.

In fact, the Examiner has not even set forth the field of the applicant's endeavor, or the particular problem with which the inventors were concerned (e.g., "facilitating the sale of subscriptions to periodicals", Present Application, Summary of the Invention).

The rejection fails for at least these reasons.

#### No Showing That References Are Reasonably Pertinent to Problem

Johnsen is directed to a shopping cart-mounted system where a shopper retrieves a rebate for a product he scans. Johnsen has nothing to do with subscriptions to periodicals.

In Gottlich, a coupon is issued at the checkout for an item related to the item currently being purchased. Gottlich has nothing to do with subscriptions to periodicals.

#### No Showing That References Are Field of Endeavor

The Examiner has not alleged that the references are in the field of Appellants' endeavor. Nevertheless, it is worth noting that the above references are not in the field of the applicant's endeavor. Johnsen and Gottlich have nothing at all to do with periodicals, much less increasing the sales of subscriptions.

#### **1.3.4. Level of Skill**

##### Applicable Law

A factual predicate underlying an obviousness determination is the level of ordinary skill in the art. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998). The skill level is one component of the inquiry for a suggestion to combine. Id. at 1359. Lacking a motivation to combine, there is no *prima facie* case of obviousness. Id. at 1358.

If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

##### Examiner's Factual Findings

Though required to do so, the Examiner has not set forth any evidence relating to the level of ordinary skill in the art, and has not even alleged what the level of skill in the art would

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be. Without a finding of the level of ordinary skill, one cannot properly determine whether there would be a motivation to combine references. The rejection fails for at least this reason.

#### Additional Factual Findings

Based on the present record, one could only conclude that the level of skill is low. No reference cited by the Examiner even addresses any problems that are addressed by the present invention.

More particularly, the only reference that has anything to do with sales of subscriptions (Folio) typifies the low level of skill in the field of periodicals and subscriptions. In particular, Folio demonstrates that the field of periodicals and subscriptions has nothing to do with, e.g., offers, increasing sales through offers or integrating subscriptions with anything else (e.g., rebates) in any way.

In Folio "10-packs" of certificates are sold, and these certificates are redeemable at newsstands. Folio, second paragraph. Presumably, this allows the purchaser to obtain issues at a newsstand when he desires. Also, prepaid subscription-order forms may be purchased. Folio, third paragraph. This appears to be identical to conventional paper subscription-order forms, except that payment has already been made.

In summary, Folio shows that the level of skill is low.

#### **1.3.5. Other Subject Matter Without Support in the Record is not Substantial Evidence**

Appellants have already disputed various assertions regarding what is 'well known' but unsupported by the record. Appellants' Response, pages 3 - 5. Nevertheless, no support has been provided.

Appellants note that the scope of the matter of which the Examiner takes Official Notice is limited to the substantial evidence in the record for such matter. The references of record clearly do not support the Examiner's broad assertions as to what was well known. At best, the prior art of record shows that only a very limited form of the asserted matter was known.

Accordingly, the Examiner's sweeping assertions which are not supported by the references of record lack substantial evidence, and therefore cannot be used as prior art to the present application. Only the content of the references of record which are prior art to the present

*Group I*

application may so used. "[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" *In re Zurko*, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001); *In re Lee*, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group I, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group I, and none of the references (alone or in combination) possess the advantages conferred by those limitations, as discussed in detail above in Section 1.2 "Advantages of Independent Claim 1". Accordingly, for at least those reasons, the claims of Group I are patentable in view of the cited references.

## SEPARATE ARGUMENT OF PATENTABILITY

### 2. Group II

Group II includes dependent claims 5 - 9. Each claim of Group II depends on claim 1 (Group I). Accordingly, the claims of Group II are patentable for at least the reasons discussed above with respect to Group I, and the reasons presented for the claims of Group I are incorporated here for the claims of Group II. In addition, further arguments of patentability are presented below.

As discussed below, the rejection of the claims of Group II is flawed because the Examiner has not made a *prima facie case* of unpatentability of any claim of Group II. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group II can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group II obvious.

#### 2.3. No Prima Facie Showing of Unpatentability of the Claims of Group II

The Examiner has not presented a prima facie case of obviousness of any claim of the Group.

##### 2.3.1. No showing of a proper motivation to combine the references (Von Kohorn)

Claims 5 - 9 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over a combination of Johnsen, Gottlich, Folio, and Von Kohorn. The Examiner simply has not shown a motivation in the prior art of record to modify or combine the references in the manner proposed by the Examiner, or in any other manner that renders the claims obvious.

*Group II*

### Applicable Law

The applicable law is discussed above in Section 1.3.2.

#### No Substantial Evidence of a Motivation to Modify or Combine

As discussed above in Section 1.3.2, the Examiner provides no finding of a motivation to modify and combine Johnsen, Folio and Gottlich. In the rejection of the claims of Group II, the Examiner again relies on this combination of three references, as described above with respect to Group I.

In addition, in adding the Von Kohorn reference to the combination of Johnsen, Folio and Gottlich the Examiner asserts that it would have been obvious:

"to have provided these [codes printed on coupons] and / or other related codes/printing with the rebate form of Johnsen to convey the details of the offer and to enable authenticity and prevent fraud."

Office Action, page 4.

However, since the authenticity of Von Kohorn is useless to the rebate form of Johnsen, no motivation exists to combine those references.

It is unlikely that any teaching of Von Kohorn would assist the rebate form of Johnsen in "conveying details of the offer". As for "enabling authenticity and preventing fraud" in rebate forms, the prior art does not disclose this motivation. More importantly, Johnsen would not in any way benefit from "authenticity" on a rebate form - authenticity is useless to the system of Johnsen. In Johnsen, the rebate is given free of charge to any and all shoppers because the rebate is an advertising and promotional tool. Johnsen, Col. 5, lines 6 - 15; Col. 6, lines 53 - 66; Col. 8, lines 24 - 47. Its goal is therefore wide dissemination to as many customers as possible.

In contrast, Von Kohorn does require authenticity because it is a completely different system. In Von Kohorn coupons may be dispensed to only those members of a broadcast audience "who have acceptably responded to a task presented in a broadcast". Col. 6, lines 37 - 44. In other words, the coupons are *not* freely given to all (as in Johnsen), but only to members "who have acceptably responded".

Von Kohorn can also conduct a lottery among the members who respond. Col. 6, lines 45 - 55. Again, this situation requires authenticity to assure that coupons are redeemed only by

those members who have won the lottery. This is the opposite of Johnsen, where advertisements and rebates are given freely to all.

Since the authenticity of Von Kohorn is useless to the rebate form of Johnsen, no motivation exists to combine those references.

The rejection fails for at least this reason.

### **2.3.2. Nonanalogous References (Von Kohorn)**

As discussed in above Section 1.3.3, the Johnsen, Gottlich and Folio references are not analogous and thus cannot be combined as proposed by the Examiner. In addition, Von Kohorn is a nonanalogous reference that cannot be used in the combination proposed by the Examiner.

Von Kohorn is a system for evaluating responses to broadcast or prerecorded programs. Abstract; Col. 2, lines 42 - 46. In particular, Von Kohorn provides a system where a response may include the entry of a wager on a possible outcome of a situation presented in the program. The system is intended to "create added interest and excitement among listeners and viewers , and thus tend top increase the audience of stations carrying programs of the type" described in Von Kohorn. Col. 2, lines 55 - 60.

Clearly, Von Kohorn has nothing at all to do with the remaining references, or with the present invention. The Examiner has set forth no reason why Von Kohorn could be considered in the field of the applicant's endeavor, or reasonably pertinent to the particular problem with which the inventors were concerned. In fact, the Examiner has not even set forth the field of the applicant's endeavor, or the particular problem with which the inventors were concerned.

The rejection fails for at least this reason.

### **2.3.3. No showing of a proper motivation to combine the references (Flaten)**

Claims 5 - 9 stand alternatively rejected under 35 U.S.C. § 103(a) as being unpatentable over a combination of Johnsen, Gottlich, Folio, and Flaten. The Examiner simply has not shown a motivation in the prior art of record to modify or combine the references in the manner proposed by the Examiner, or in any other manner that renders the claims obvious.

### Applicable Law

The applicable law is discussed above in Section 1.3.2.

#### No Substantial Evidence of a Motivation to Modify or Combine

As discussed above in Section 1.3.2, the Examiner provides no finding of a motivation to modify and combine Johnsen, Folio and Gottlich. In the rejection of the claims of Group II, the Examiner again relies on this combination of three references, as described above with respect to Group I.

In addition, in adding the Flaten reference to the combination of Johnsen, Folio and Gottlich the Examiner provides no motivation to combine those references. In stead, the Examiner merely offers the conclusory statement that it would have been obvious to combine portions of Flaten and Johnsen:

"It would have been obvious to one of ordinary skill at the time of the invention to have provided these [codes printed on coupons] and / or other related codes/printing with the rebate form of Johnsen."

Office Action, page 5.

No further details provide any sort of motivation to combine the Flaten with the remaining references.

The rejection fails for at least this reason.

#### **2.3.4. Nonanalogous References (Flaten)**

As discussed in above Section 1.3.3, the Johnsen, Gottlich and Folio references are not analogous and thus cannot be combined as proposed by the Examiner. In addition, Flaten is a nonanalogous reference that cannot be used in the combination proposed by the Examiner.

Flaten is "a system in which an account of a user can be credited by telephonic communication." Col. 1, lines 60 - 62. This credit can serve as the redemption of a coupon or rebate. Col. 2, lines 3 - 10.

The Examiner has set forth no reason why Flaten could be considered in the field of the applicant's endeavor, or reasonably pertinent to the particular problem with which the inventors

were concerned. In fact, the Examiner has not even set forth the field of the applicant's endeavor, or the particular problem with which the inventors were concerned.

The rejection fails for at least this reason.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group II, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group II, and none of the references (alone or in combination) possess the advantages conferred by those limitations. Accordingly, for at least those reasons, the claims of Group II are patentable in view of the cited references.

## SEPARATE ARGUMENT OF PATENTABILITY

### 3. Group III

Group III includes dependent claim 22. Each claim of Group III depends on claim 1 (Group I). Accordingly, the claims of Group III are patentable for at least the reasons discussed above with respect to Group I, and the reasons presented for the claims of Group I are incorporated here for the claims of Group III. In addition, further arguments of patentability are presented below.

As discussed below, the rejection of the claims of Group III is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group III. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group III can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group III obvious.

#### 3.1. Dependent Claim 22

Dependent claim 22 is directed to a method in which a signal that indicates at least one item is received. It is ascertained whether the at least one item is associated with an offer for a rebate.

If the at least one item is associated with an offer for a rebate, a code is generated. A signal that represents the code is output.

A periodical is selected based on the at least one item. An offer for a rebate in exchange for establishing a subscription to the periodical is output. The subscription to the periodical is not the at least one item. An item price is charged.

*Group III*

### 3.2. Advantages of Dependent Claim 22

The embodiment of claim 22 provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination. These advantages render the claimed subject matter nonobvious over the cited art.

As discussed in the present application, by *selecting the periodical based on the at least one item*, the periodical which is offered can be, e.g., related to the item the customer is purchasing. For example, if a customer is purchasing diapers, they can be offered a rebate on their diapers in exchange for establishing a subscription to a "Parenting" magazine. Similarly, if a customer is purchasing health food, they can be offered a rebate on their health food in exchange for establishing a subscription to a "Healthy Lifestyle" magazine.

Thus, by *selecting the periodical based on the at least one item*, the offer can be made more attractive to the particular customer, and thus more likely to be accepted. Also, the "tying" of the rebate to a particular type of periodical can build an association between the item the customer purchases and the periodical. Thus, the next time the customer purchases the same item, they may favorably recall the periodical, which naturally benefits the publisher of the periodical.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

### 3.3. No Prima Facie Showing of Unpatentability of the Claims of Group III

The limitations of claim 22 are not even addressed by the Examiner. The references of record do not disclose or suggest the limitations of claim 22, or the advantages of claim 22 discussed above. The Examiner has not even argued that they do. For at least this reason, the Examiner has failed to present a prima facie case of obviousness of claim 22.

## SEPARATE ARGUMENT OF PATENTABILITY

### 4. Group IV

Group IV includes dependent claim 31. Each claim of Group IV depends on claim 1 (Group I). Accordingly, the claims of Group IV are patentable for at least the reasons discussed above with respect to Group I, and the reasons presented for the claims of Group I are incorporated here for the claims of Group IV. In addition, further arguments of patentability are presented below.

As discussed below, the rejection of the claims of Group IV is flawed because the Examiner has not made a prima facie case of unpatentability of any claim of Group IV. The Examiner has not shown all limitations of any claim to be disclosed or suggested by the references. The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of Group IV can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of Group IV obvious.

#### 4.1. Dependent Claim 31

Dependent claim 31 is directed to a method in which a signal that indicates at least one item, an issue of a periodical, is received. It is ascertained whether the at least one item is associated with an offer for a rebate.

If the at least one item is associated with an offer for a rebate, a code is generated. A signal that represents the code is output.

An offer for a rebate in exchange for establishing a subscription to the periodical is output. The subscription to the periodical is not the at least one item. An item price is charged.

#### **4.2. Advantages of Dependent Claim 31**

The embodiment of claim 31 provides several advantages not even recognized, much less disclosed or suggested, by the prior art of record, either alone or in combination. These advantages render the claimed subject matter nonobvious over the cited art.

As discussed in the present application, because the *at least one item comprises an issue of the periodical*, the purchase of an issue of a periodical can trigger an offer for a rebate in exchange for establishing a subscription to the periodical.

Such an offer can be very attractive to the customer, and thus the offer is highly likely to be accepted. First, the customer has demonstrated an interest in the periodical, and so may be particularly interested in a subscription. Second, the customer recognizes the benefit of paying the subscription price, which has a much lower price per issue than the single-issue price the customer was ready to pay.

In addition, the fulfillment house (e.g., a publisher of the periodical) benefits from increasing the circulation of the periodical through an additional subscription to a customer who (prior to the offer) was not going to purchase a subscription. Also, the retailer can benefit from such a transaction by collecting a portion of the profits of the subscription sale.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

#### **4.3. No Prima Facie Showing of Unpatentability of the Claims of Group IV**

The limitations of claim 31 are not even addressed by the Examiner. The references of record do not disclose or suggest the limitations of claim 31, or the advantages of claim 31 discussed above. The Examiner has not even argued that they do. For at least this reason, the Examiner has failed to present a prima facie case of obviousness of claim 31.

In addition, it is worth noting that no reference of record discusses a purchase of an issue of a periodical, much less what types of offers might be attractive to purchasers of issues. Thus, the references, alone or in combination, do not suggest the limitations of claim 31.

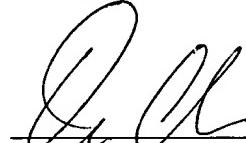
## CONCLUSION

Thus, the Examiner's rejection of the pending claims are is improper at least because the references, alone or in combination, do not disclose or suggest all the limitations of any claim. In addition, in the obviousness rejections the Examiner has improperly combined the references because there is no adequate reasoning or support in the prior art for making the proposed combination. Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

If any issues remain, or if there are any further suggestions for expediting allowance of the present application, please contact Dean Alderucci using the information provided below.

Appellants hereby request any extension of time that may be required to make this Appeal Brief timely. Please charge any fees that may be required for this paper, or credit any overpayment, to Deposit Account No. 50-0271.

Respectfully submitted,



Dean Alderucci  
Attorney for Appellants  
Registration No. 40,484  
[Alderucci@WalkerDigital.com](mailto:Alderucci@WalkerDigital.com)  
(203) 461-7337 /voice  
(203) 461-7300 /fax

January 20, 2004

Date

**APPENDIX A**  
**CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL**

Claims 1 – 34 and 70 - 72 are pending and appealed.

Claims 1 and 70 - 72 are independent.

1. A method, comprising:

receiving a signal that indicates at least one item;  
ascertaining whether the at least one item is associated with an offer for a rebate;  
generating a code if the at least one item is associated with an offer for a rebate;  
outputting a signal that represents the code;  
outputting an offer for a rebate in exchange for establishing a subscription to a periodical,  
in which the subscription to the periodical is not the at least one item; and  
charging an item price.

2. The method of claim 1, in which the step of receiving the signal that indicates the at least one item comprises:

receiving the signal via a bar code scanner.

3. The method of claim 1, in which the step of receiving the signal that indicates the at least one item comprises:

optically scanning a bar code that indicates the at least one item.

CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL

4. The method of claim 1, in which the step of ascertaining whether the at least one item is associated with an offer for a rebate comprises:
  - searching a database for a record that corresponds to the at least one item; and
  - ascertaining from the record whether the at least one item is associated with an offer for a rebate.
5. The method of claim 1, in which the step of generating the code comprises:
  - selecting the code from a plurality of predetermined codes.
6. The method of claim 1, in which the step of generating the code comprises:
  - generating the code randomly.
7. The method of claim 1, in which the step of generating the code comprises:
  - encrypting at least one datum.
8. The method of claim 7, in which the step of encrypting at least one datum comprises:
  - encrypting at least one of
    - the periodical,
    - an item price of the at least one item,
    - an account identifier,
    - a merchant identifier that identifies a merchant,
    - a period of validity,
    - an item identifier that identifies the at least one item, and
    - a customer identifier that identifies a customer.

CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL

9. The method of claim 1, in which the step of generating the code comprises:  
generating the code based on at least one of  
the periodical,  
an item price of the at least one item,  
an account identifier,  
a merchant identifier that identifies a merchant,  
a period of validity,  
an item identifier that identifies the at least one item, and  
a customer identifier that identifies a customer.
10. The method of claim 1, in which the step of outputting the signal that represents the code comprises:  
printing an indicium that represents the code.
11. The method of claim 10, in which the indicium comprises a machine-readable indicium.
12. The method of claim 11, in which the indicium comprises a bar code.
13. The method of claim 1, in which the step of outputting an offer comprises:  
generating a message.

CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL

14. The method of claim 13, in which the step of outputting an offer comprises:  
printing an indicium that represents a message.
15. The method of claim 13, in which the step of outputting an offer comprises:  
displaying a message on a video monitor.
16. The method of claim 13, in which the step of generating the message comprises:  
selecting the message based on the at least one item.
17. The method of claim 13, in which the step of generating the message comprises:  
selecting the message from a plurality of predetermined messages.
18. The method of claim 1, in which the charging the item price comprises:  
receiving a credit card number that identifies a credit card account; and  
charging the item price to the credit card account.
19. The method of claim 1, further comprising:  
printing an indicium that represents a contact identifier.
20. The method of claim 19, in which the indicium that represents the contact identifier  
represents at least one of a telephone number, an electronic mail address and a URL.

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21. The method of claim 1, further comprising:  
selecting a contact identifier based on the at least one item.
22. The method of claim 1, further comprising:  
selecting the periodical based on the at least one item.
23. The method of claim 1, further comprising:  
ascertaining whether a predetermined rule is satisfied.
24. The method of claim 23, in which the step of outputting the signal that represents the code is performed only if the predetermined rule is satisfied.
25. The method of claim 1, further comprising:  
receiving a customer identifier that identifies a customer that purchases the at least one item.
26. The method of claim 25, in which the step of receiving a customer identifier comprises:  
receiving an account identifier that identifies an account.
27. The method of claim 26, in which the account identifier comprises a credit card account number and in which the account is a credit card account.

CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL

28. The method of claim 25, in which the step of receiving a customer identifier comprises:  
receiving the customer identifier via at least one of a card reader and a bar code scanner.

29. The method of claim 1, further comprising:  
associating the code with the rebate.

30. The method of claim 29, in which the step of associating the code with the rebate  
comprises:

storing the code and an indication of the rebate in a record of a database.

31. The method of claim 1, in which the at least one item comprises an issue of the  
periodical.

32. The method of claim 1, in which the code indicates at least one of  
the periodical,  
an item price of the at least one item,  
an account identifier,  
a merchant identifier that identifies a merchant,  
a period of validity,  
an item identifier that identifies the at least one item, and  
a customer identifier that identifies a customer.

33. The method of claim 1, in which the code comprises a plurality of digits.

CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL

34. The method of claim 1, in which the code comprises a plurality of alphanumeric characters.

70. An apparatus, comprising:

means for receiving a signal that indicates at least one item;  
means for ascertaining whether the at least one item is associated with an offer for a rebate;  
means for generating a code if the at least one item is associated with an offer for a rebate;  
means for outputting a signal that represents the code;  
means for outputting an offer for a rebate in exchange for establishing a subscription to a periodical, in which the subscription to the periodical is not the at least one item; and  
means for charging an item price.

71. A computer readable medium encoded with processing instructions for implementing a method, the processing instructions for directing a computer to perform the steps of:

receiving a signal that indicates at least one item;  
ascertaining whether the at least one item is associated with an offer for a rebate;  
generating a code if the at least one item is associated with an offer for a rebate;  
outputting a signal that represents the code;  
outputting an offer for a rebate in exchange for establishing a subscription to a periodical, in which the subscription to the periodical is not the at least one item; and  
charging an item price.

CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL

72. An apparatus, comprising:

a processor;

a memory connected to the processor, the memory for storing a program for controlling the processor; and

the processor operative with the program to:

receive a signal that indicates at least one item;

ascertain whether the at least one item is associated with an offer for a rebate;

generate a code if the at least one item is associated with an offer for a rebate;

output a signal that represents the code;

output an offer for a rebate in exchange for establishing a subscription to a periodical, in which the subscription to the periodical is not the at least one item; and

charge an item price.

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**APPENDIX B**  
**CHART SHOWING CLAIM DEPENDENCIES**

Claims **1 – 34 and 70 - 72** are pending and appealed.

Claims **1 and 70 - 72** are independent.

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*CHART SHOWING CLAIM DEPENDENCIES*

*PATENT APPEAL*  
Technology Center 3600

Application No. 09/260,437  
Attorney Docket No.: 98-116

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*CHART SHOWING CLAIM DEPENDENCIES*